



As reprinted from 11/16/2007

10 tips for a smart holiday

It's easy to get in over your head financially during the holidays.

And the man who manages more than \$12 billion in investments for the state of Arizona, the state treasurer, is offering tips for people to manage their holiday spending wisely and avoid debt and the holiday approaches.

Arizona State Treasurer Dean Martin offers tips on smart holiday financial management and avoiding debt as the upcoming holiday season approaches.

"You can make the holidays even happier if you follow these ten tips to help keep your head above water during the holiday shopping season," Martin said.

1. Make a budget and stick to it.

- Place a spending limit for each person on your list.
- Keep in mind even the small expenses associated with the holidays, including postage, entertaining, and gas prices!

2. Avoid the emotion explosion.

- It's only natural to want to shower your loved ones - especially the little ones - with gifts to show them how much you care - but this will bust your budget with overspending.
- Quality over quantity; avoid the impulse purchases.
- How many parents spend \$100 on a gadget only to watch the kids play with the \$1 box it came in?

3. Increase your income before increasing your spending.

- Retail outlets hire more part-time positions during this time of year.
- Consider taking up a part-time job to increase your income and meet your spending needs and wishes.

4. Don't procrastinate.

- Putting off holiday shopping may force you to break your budget as you will buy anything - and everything - at the last moment.
- You could wind up paying more in shipping costs than the gift itself!

5. Pay cash - "No Payments, No Interest" can be a problem.

- Avoid credit card purchases unless you know you can pay off the full balance of your bill when all holiday shopping is completed.

- Stay away from buying into deferred payment plans, unless you are confident you can pay the purchase off before the deadline.

6. Don't open new credit.

- Many retail and department stores offer discounts when you open a new credit card, but the one-time-only discount may not be worth having another credit card on your credit rating.

7. Pass on extended warranties.

- The cost of a repair or replacement over time may be the same as buying an extended warranty plan.

8. Open a holiday savings account.

- Set up a separate savings account just for your holiday shopping so it can accrue interest during the year.
- Make a small deposit into it each month, and you'll be surprised how much "extra" money you have for the holidays next year!

9. Pay your bills on time!

- This is the best gift you can give yourself for the holidays and all year round.
- If you are late on payments, your interest rate - and future payments - might go up.
- When you miss just one payment, regardless of the dollar amount, it takes 24 months to restore your credit.

10. Get a FREE credit report.

- The information on this report determines the interest rates that credit card companies will charge!
- Visit www.annualcreditreport.com to request a FREE credit report once every 12 months from each of the nationwide consumer credit reporting companies: Equifax, Experian and TransUnion.
- Make sure you haven't been a victim of identity theft and that your information is correct.